No. 73 STATE OF MICHIGAN

Journal of the Senate

97th Legislature REGULAR SESSION OF 2014

Senate Chamber, Lansing, Wednesday, November 12, 2014.

10:00 a.m.

The Senate was called to order by the President pro tempore, Senator Tonya Schuitmaker.

The roll was called by the Secretary of the Senate, who announced that a quorum was present.

Ananich—present
Anderson—present
Bieda—present
Booher—present
Brandenburg—present
Casperson—present
Caswell—present
Colbeck—present
Emmons—present
Green—present
Gregory—present
Hansen—present
Hildenbrand—present

Hood—present
Hopgood—present
Hune—present
Hunter—present
Jansen—present
Johnson—present
Johnson—present
Kahn—present
Kahn—present
Marleau—present
Meekhof—present
Moolenaar—excused
Nofs—present

Pappageorge—present
Pavlov—present
Proos—present
Richardville—present
Robertson—present
Rocca—present
Schuitmaker—present
Smith—present
Walker—present
Warren—present
Whitmer—present
Young—present

Pastor Robert Prince of Central Church of the Nazarene of Flint offered the following invocation:

Almighty God, we praise You for Your great love and mercy. Each one of us in this room is the recipient of Your blessings, and we give You thanks. From Great Lake to Great Lake—from the shores of Lake Superior, Michigan, Huron, and Lake Erie, we are thankful for Your blessings upon our state. In Bad Axe and Goodrich, Flat Rock and Gladstone, Ironwood, Flint, Copper Harbor, Northville, Southgate, Westland and Eastpointe, Garden City, Detroit, Fraser, Alanson, Reading, and in my hometown of Grand Blanc, Michigan, may Your name be praised. From Acme to Zeeland, may all the cities and towns of our state praise You.

We thank You, Lord, for these 38 men and women who serve as our Senators. May You be with them and our Governor and all our elected officials. Help these lawmakers to think wisely and carefully before they speak, to act with courage and conviction for the good of all, and to deal charitably with one another so that they may enjoy mutual respect.

Lord, help us to serve You in a spirit of love and in truth so that our accomplishments will be built upon the firm foundation of love and justice. May You be with the poor and the troubled, the orphaned and the widows. May You be with our brothers and our sisters across our state who are hungry or homeless, struggling, and anxious. We ask, Lord, for Your protection for those who are serving in our armed forces and our local first responders. Be with them and their families.

May all of us pray and work so that we might see Your kingdom come and Your will done in Michigan as it is in heaven. In the name of Jesus, we pray. Amen.

The President pro tempore, Senator Schuitmaker, led the members of the Senate in recital of the Pledge of Allegiance.

Motions and Communications

Senators Brandenburg and Proos entered the Senate Chamber.

Senator Hopgood moved that Senators Johnson and Warren be temporarily excused from today's session. The motion prevailed.

Senator Meekhof moved that Senators Kahn and Richardville be temporarily excused from today's session. The motion prevailed.

Senator Meekhof moved that Senator Moolenaar be excused from today's session. The motion prevailed.

The following communications were received: Department of State

Administrative Rules Notices of Filing

October 6, 2014

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6, this is to advise you that the Michigan Department of Licensing and Regulatory Affairs and the State Office of Regulatory Reinvention filed Administrative Rule #2013-028-LR (Secretary of State Filing #14-10-01) on this date at 3:45 p.m. for the Department of Licensing and Regulatory Affairs, entitled "Storage and Handling of Flammable and Combustible Liquids."

These rules take effect 7 days after filing with the Secretary of State.

October 6, 2014

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6, this is to advise you that the Michigan Department of Licensing and Regulatory Affairs and the State Office of Regulatory Reinvention filed Administrative Rule #2013-108-LR (Secretary of State Filing #14-10-02) on this date at 3:47 p.m. for the Department of Licensing and Regulatory Affairs, entitled "Compressed Natural Gas (CNG) Vehicular Fuel Systems."

These rules take effect 7 days after filing with the Secretary of State.

October 6, 2014

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6, this is to advise you that the Michigan Department of Licensing and Regulatory Affairs and the State Office of Regulatory Reinvention filed Administrative Rule #2014-012-LR (Secretary of State Filing #14-10-03) on this date at 3:49 p.m. for the Department of Licensing and Regulatory Affairs, entitled "Liquefied Petroleum Gas (LPG) Code."

These rules take effect 7 days after filing with the Secretary of State.

October 6, 2014

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6, this is to advise you that the Michigan Department of Licensing and Regulatory Affairs and the State Office of Regulatory Reinvention filed Administrative Rule #2013-106-TY (Secretary of State Filing #14-10-04) on this date at 3:51 p.m. for the Department of Treasury, entitled "School Bond Qualification, Approval, and Loan Rules."

These rules become effective immediately upon filing with the Secretary of State unless adopted under section 33, 44, or 45a(6) of 1969 PA 306. Rules adopted under these sections become effective 7 days after filing with the Secretary of State.

October 8, 2014

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6, this is to advise you that the Michigan Department of Licensing and Regulatory Affairs and the State Office of Regulatory Reinvention filed Administrative Rule #2012-111-LR (Secretary of State Filing #14-10-05) on this date at 3:17 p.m. for the Department of Licensing and Regulatory Affairs, entitled "Board of Dentistry - General Rules."

These rules become effective immediately upon filing with the Secretary of State unless adopted under section 33, 44, or 45a(6) of 1969 PA 306. Rules adopted under these sections become effective 7 days after filing with the Secretary of State.

Sincerely, Ruth Johnson Secretary of State Robin L. Houston, Departmental Supervisor Office of the Great Seal

The communications were referred to the Secretary for record.

The following communication was received: Office of the Auditor General

November 6, 2014

I am pleased to enclose our fiscal year 2014 annual report. It details aspects of our office operations and the audit reports we issued during the past fiscal year. Article IV, Section 53 of the Michigan Constitution establishes the Office of the Auditor General's authority and requires this annual report.

During fiscal year 2014, we issued 40 performance audits in addition to 20 financial audits and letter reports. Our annual financial audit of the *State of Michigan Comprehensive Annual Financial Report* and our Statewide Single Audit, which we performed to assess compliance with federal regulations, are the largest use of our human resources. We also completed value-driven audits in the areas of the Medicaid Home Help Program, Adult Protective Services, the Bureau of Fire Services and State Fire Marshal, the Michigan Veterans Affairs Agency, Member Data of the Michigan Public School Employees' Retirement System, the Michigan Business One Stop System, and Homeownership Programs, among many others.

As we moved into fiscal year 2015, we are focusing our efforts in two key areas:

1. Enhanced Communications

In September 2014, we began to provide you with a monthly synopsis of our activities, a list of all work in process, and a performance audit report summary in a concise table format. Also, we created a publically available preliminary survey summary for each performance audit that we terminated after the preliminary stage because we did not identify significant concerns. Going forward, our communication plans include improving report readability, sharing a six-month audit plan, and meeting newly-elected State officials to provide an overview of the office and our responsibilities.

2. Organizational Efficiencies

Since becoming Auditor General in June 2014, I have continued to evaluate and implement opportunities to streamline our organization and maximize the benefit derived from our appropriations. Deputy Auditor General Laura Hirst and I are restructuring the Bureau of Audit Operations to align audit divisions by audit type rather than by State agency. Currently, we are evaluating options to improve the efficiency and effectiveness of our information systems and quality assurance areas.

I am honored to lead a group of engaged, enthusiastic, and diverse professionals who are dedicated to improving State government operations in an independent, objective, and transparent manner. We welcome the opportunity to provide information to assist in you decision-making. Please do not hesitate to contact us to request our services.

Sincerely, Doug Ringler Auditor General

The communication was referred to the Secretary for record.

The following communication was received: Department of Treasury

November 7, 2014

Attached please find a copy of the report required by MCL 141.921, part of the Glenn Steil State Revenue Sharing Act of 1971 (PA 140 of 1971). The report provides notification of local units of government that fail to provide a financial report or an audit, if required, and any local unit of government required to file a financial plan.

Please feel free to contact our office if you should have any questions.

Thank you, Julie Walsh, CPA Budget Division

The communication was referred to the Secretary for record.

The Secretary announced that the following House bills were received in the Senate and filed on Thursday, November 6: House Bill Nos. 5035 5036 5751 5794 5795

The Secretary announced that the following bills and joint resolution were printed and filed on Friday, November 7, and are available at the Michigan Legislature website:

1131 1132 1133 1134 Senate Bill Nos. 1135 1136 1137 1138 House Bill Nos. 5889 5890 5891 5892 5893 5894 5895 5896 5897 5898 5899 5900 5901 5902 5903 5904 5905 5906 5907 5908 5909 5910 5911 5912 5913 5914 5915 5916 5917 5918 5919 5920 5921 5922 5923 5924 5925 5926 5927 5930 5931 5932 **House Joint Resolution** 00

Senators Johnson and Richardville entered the Senate Chamber.

Recess

Senator Meekhof moved that the Senate recess subject to the call of the Chair. The motion prevailed, the time being 10:06 a.m.

11:22 a.m.

The Senate was called to order by the President pro tempore, Senator Schuitmaker.

During the recess, Senators Kahn and Warren entered the Senate Chamber.

Senator Meekhof moved that rule 3.902 be suspended to allow the guests of Senator Richardville admittance to the Senate floor.

The motion prevailed, a majority of the members serving voting therefor.

Senator Meekhof moved that the Committee on Economic Development be discharged from further consideration of the following bill:

Senate Bill No. 1100, entitled

A bill to amend 1933 PA 167, entitled "General sales tax act," by amending section 18 (MCL 205.68), as amended by 2014 PA 108.

The motion prevailed, a majority of the members serving voting therefor, and the bill was placed on the order of General Orders.

Senator Meekhof moved that the bill be referred to the Committee on Judiciary. The motion prevailed.

Senator Meekhof moved that the following bill, now on the order of General Orders, be referred to the Committee on Appropriations:

Senate Bill No. 1062, entitled

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending section 51 (MCL 206.51), as amended by 2012 PA 223.

The motion prevailed.

Senator Meekhof moved that the following bill, now on the order of General Orders, be referred to the Committee on Reforms, Restructuring and Reinventing:

House Bill No. 5482, entitled

A bill to amend 1969 PA 317, entitled "Worker's disability compensation act of 1969," by amending section 391 (MCL 418.391), as amended by 2007 PA 190.

The motion prevailed.

By unanimous consent the Senate proceeded to the order of

General Orders

Senator Meekhof moved that the Senate resolve itself into the Committee of the Whole for consideration of the General Orders calendar.

The motion prevailed, and the President pro tempore, Senator Schuitmaker, designated Senator Gregory as Chairperson. After some time spent therein, the Committee arose; and the President pro tempore, Senator Schuitmaker, having resumed the Chair, the Committee reported back to the Senate, favorably and with a substitute therefor, the following bill:

Senate Bill No. 1038, entitled

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending sections 7b, 7u, 7cc, 7ee, 24c, 28, 29, 30, 34c, 53b, 53c, and 154 (MCL 211.7b, 211.7u, 211.7cc, 211.7ee, 211.24c, 211.28, 211.29, 211.30, 211.34c, 211.53b, 211.53c, and 211.154), section 7b as amended by 2013 PA 161, section 7u as amended by 2012 PA 135, section 7cc as amended by 2014 PA 40, sections 7ee and 154 as amended by 2003 PA 247, section 24c as amended by 2010 PA 332, section 28 as amended by 2006 PA 143, sections 30 and 53b as amended by 2013 PA 153, section 34c as amended by 2012 PA 409, and section 53c as added by 1995 PA 74, and by adding section 53e.

Substitute (S-2).

The Senate agreed to the substitute recommended by the Committee of the Whole, and the bill as substituted was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill: Senate Bill No. 1039, entitled

A bill to amend 1973 PA 186, entitled "Tax tribunal act," by amending sections 21, 22, 32, 35a, 36, 49, and 62 (MCL 205.721, 205.722, 205.732, 205.735a, 205.736, 205.749, and 205.762), section 22 as amended by 2008 PA 127, sections 32 and 35a as amended by 2008 PA 125, section 49 as amended by 2008 PA 126, and section 62 as amended by 2008 PA 128. Substitute (S-2).

The Senate agreed to the substitute recommended by the Committee of the Whole, and the bill as substituted was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill: Senate Bill No. 1040, entitled

A bill to amend 1941 PA 122, entitled "An act to establish the revenue collection duties of the department of treasury; to prescribe its powers and duties as the revenue collection agency of this state; to prescribe certain powers and duties of the state treasurer; to establish the collection duties of certain other state departments for money or accounts owed to this state; to regulate the importation, stamping, and disposition of certain tobacco products; to provide for the transfer of powers and duties now vested in certain other state boards, commissions, departments, and offices; to prescribe certain duties of and require certain reports from the department of treasury; to provide procedures for the payment, administration, audit, assessment, levy of interests or penalties on, and appeals of taxes and tax liability; to prescribe its powers

and duties if an agreement to act as agent for a city to administer, collect, and enforce the city income tax act on behalf of a city is entered into with any city; to provide an appropriation; to abolish the state board of tax administration; to prescribe penalties and provide remedies; and to declare the effect of this act," by amending section 22 (MCL 205.22), as amended by 2007 PA 194.

Substitute (S-1).

The Senate agreed to the substitute recommended by the Committee of the Whole, and the bill as substituted was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill: Senate Bill No. 1056, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," (MCL 324.101 to 324.90106) by adding section 2120a.

Substitute (S-1).

The Senate agreed to the substitute recommended by the Committee of the Whole, and the bill as substituted was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill: Senate Bill No. 1088, entitled

A bill to amend 1966 PA 331, entitled "Community college act of 1966," by amending section 142 (MCL 389.142), as amended by 2012 PA 153.

Substitute (S-1).

The Senate agreed to the substitute recommended by the Committee of the Whole, and the bill as substituted was placed on the order of Third Reading of Bills.

By unanimous consent the Senate returned to the order of

Third Reading of Bills

Senator Meekhof moved that the following bill be placed at the head of the Third Reading of Bills calendar:

House Bill No. 5610

The motion prevailed.

The following bill was read a third time:

House Bill No. 5610, entitled

A bill to amend 1899 PA 44, entitled "An act to provide for the publication and distribution of publications, laws, and documents, reports of the several officers, boards of officers and public institutions of this state now or hereafter to be published; to provide for the replacing of publications lost by fire or otherwise; to provide for the publication and distribution of the Michigan manual; to provide for duties of certain state and local government departments and agencies; to establish certain funds; and to provide for certain penalties and remedies," by amending section 6 (MCL 24.6), as amended by 1983 PA 97.

The question being on the passage of the bill,

Senator Richardville offered the following amendment:

1. Amend page 2, line 2, after the first "REPRESENTATIVES." by striking out "THE SECRETARY OF THE SENATE AND THE CLERK OF THE HOUSE OF REPRESENTATIVES SHALL MAKE AT LEAST 1 PRINTED AND BOUND COPY OF THE JOURNAL AVAILABLE TO MEMBERS OF THE SENATE AND HOUSE OF REPRESENTATIVES." and inserting "THE SECRETARY OF THE SENATE SHALL RETAIN AT LEAST 1 PRINTED AND BOUND COPY OF THE SENATE JOURNAL, THE CLERK OF THE HOUSE OF REPRESENTATIVES SHALL RETAIN AT LEAST 1 PRINTED AND BOUND COPY OF THE HOUSE JOURNAL, AND 1 PRINTED AND BOUND COPY OF EACH JOURNAL SHALL BE PROVIDED TO THE LIBRARY OF MICHIGAN."

The amendment was adopted, a majority of the members serving voting therefor.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 651

Yeas—37

Ananich Richardville Gregory Jones Anderson Hansen Kahn Robertson Bieda Hildenbrand Kowall Rocca Hood Schuitmaker Booher Marleau Brandenburg Hopgood Meekhof Smith Casperson Hune Nofs Walker Caswell Hunter Pappageorge Warren Colbeck Jansen Pavlov Whitmer **Emmons** Johnson Proos Young Green

Nays—0

Excused—1

Moolenaar

Not Voting—0

In The Chair: Schuitmaker

Senator Meekhof moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

The Senate agreed to the title of the bill.

The following bill was announced:

Senate Bill No. 973, entitled

A bill to create the child welfare partnership council; and to prescribe the powers and duties of the council and certain state departments and agencies.

(This bill was read a third time on November 6 and consideration postponed. See Senate Journal No. 72, p. 1861.) The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 652

Yeas—37

Ananich Anderson	Gregory Hansen	Jones Kahn	Richardville Robertson
Bieda	Hildenbrand	Kowall	Rocca
Booher	Hood	Marleau	Schuitmaker
Brandenburg	Hopgood	Meekhof	Smith
Casperson	Hune	Nofs	Walker
Caswell	Hunter	Pappageorge	Warren
Colbeck	Jansen	Pavlov	Whitmer
Emmons	Johnson	Proos	Young
Green			

Excused—1

Moolenaar

Not Voting—0

In The Chair: Schuitmaker

The Senate agreed to the title of the bill.

Senator Meekhof moved that the following bills be placed at the head of the Third Reading of Bills calendar:

Senate Bill No. 974
Senate Bill No. 975
Senate Bill No. 1086
Senate Bill No. 1087
The motion prevailed.

The following bill was read a third time:

Senate Bill No. 974, entitled

A bill to amend 1939 PA 288, entitled "Probate code of 1939," by amending section 2 of chapter XIIA (MCL 712A.2), as amended by 2001 PA 211.

Yeas—37

The question being on the passage of the bill,

Senator Caswell offered the following substitute:

Substitute (S-3).

The substitute was adopted, a majority of the members serving voting therefor.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 653

Ananich	Gregory	Jones	Richardville
Anderson	Hansen	Kahn	Robertson
Bieda	Hildenbrand	Kowall	Rocca
Booher	Hood	Marleau	Schuitmaker
Brandenburg	Hopgood	Meekhof	Smith
Casperson	Hune	Nofs	Walker
Caswell	Hunter	Pappageorge	Warren
Colbeck	Jansen	Pavlov	Whitmer
Emmons	Johnson	Proos	Young
Green			C

Nays—0

Excused—1

Not Voting—0

In The Chair: Schuitmaker

Senator Caswell offered to amend the title to read as follows:

A bill to amend 1939 PA 288, entitled "Probate code of 1939," by amending section 2 of chapter XIIA (MCL 712A.2), as amended by 2014 PA 342.

The amendment to the title was adopted.

The Senate agreed to the title as amended.

The following bill was read a third time:

Senate Bill No. 975, entitled

A bill to amend 1939 PA 280, entitled "The social welfare act," by amending section 117a (MCL 400.117a), as amended by 2014 PA 304.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 654

Yeas—37

Ananich	Gregory	Jones	Richardville
Anderson	Hansen	Kahn	Robertson
Bieda	Hildenbrand	Kowall	Rocca
Booher	Hood	Marleau	Schuitmaker
Brandenburg	Hopgood	Meekhof	Smith
Casperson	Hune	Nofs	Walker
Caswell	Hunter	Pappageorge	Warren
Colbeck	Jansen	Pavlov	Whitmer
Emmons	Johnson	Proos	Young
Green			

Nays—0

Excused—1

Moolenaar

Not Voting—0

In The Chair: Schuitmaker

The Senate agreed to the title of the bill.

The following bill was read a third time:

Senate Bill No. 1086, entitled

A bill to amend 1974 PA 150, entitled "Youth rehabilitation services act," by amending section 5 (MCL 803.305), as amended by 1998 PA 517.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 655

Yeas—37

Ananich Gregory Jones Richardville Anderson Hansen Kahn Robertson Bieda Hildenbrand Kowall Rocca Booher Hood Marleau Schuitmaker Hopgood Meekhof Brandenburg Smith Hune Casperson Nofs Walker Caswell Warren Hunter Pappageorge Colbeck Pavlov Whitmer Jansen Emmons Johnson Proos Young Green

Nays—0

Excused—1

Moolenaar

Not Voting—0

In The Chair: Schuitmaker

The Senate agreed to the title of the bill.

The following bill was read a third time:

Senate Bill No. 1087, entitled

A bill to amend 2009 PA 75, entitled "Mortgage loan originator licensing act," by amending section 5 (MCL 493.135), as amended by 2012 PA 150.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 656 Yeas—36

Ananich Richardville Green Johnson Anderson Gregory Jones Robertson Bieda Hansen Kahn Rocca Booher Hildenbrand Kowall Schuitmaker Brandenburg Hood Marleau Smith Casperson Hopgood Meekhof Walker Caswell Hune Warren Nofs Colbeck Whitmer Hunter Pavlov **Emmons** Jansen Proos Young

Nays—0

Excused—1

Not Voting—1

Pappageorge

In The Chair: Schuitmaker

The Senate agreed to the title of the bill.

By unanimous consent the Senate proceeded to the order of

Resolutions

Senator Meekhof moved that consideration of the following resolution be postponed for today:

Senate Resolution No. 34

The motion prevailed.

The question was placed on the adoption of the following resolution consent calendar:

Senate Resolution No. 188

The resolution consent calendar was adopted.

Senator Smith offered the following resolution:

Senate Resolution No. 188.

A resolution to recognize November 13, 2014, as Automobile Heritage Day in the state of Michigan.

Whereas, Since 1988, the MotorCities National Heritage Area Partnership has been preserving and promoting Michigan's unique automotive story; and

Whereas, The MotorCities National Heritage Area is the largest concentration of auto-related sites, attractions, and events in the world, bringing millions of visitors and dollars into the state's economy each year; and

Whereas, Michigan is the home of GM, Ford, and Chrysler, and it is the heart of the U.S. automobile industry; and

Whereas, The Michigan Legislature has created an Auto Caucus for members to exchange ideas and influence policy, including automobile heritage; and

Whereas, The MotorCities National Heritage Area has the goal of acknowledging and recognizing appreciation of an industry deeply woven into Michigan's past, present, and future; now, therefore, be it

Resolved by the Senate, That we hereby recognize November 13, 2014, as Automobile Heritage Day in the state of Michigan.

Senators Anderson, Bieda, Booher, Brandenburg, Hansen, Jones, Kowall, Pappageorge, Richardville and Warren were named co-sponsors of the resolution.

Senate Concurrent Resolution No. 23.

A concurrent resolution to request that the United States Congress enact legislation and that the U.S. Department of Health and Human Services promulgate rules that would promote the opportunity for consumers to choose Direct Primary Care Services as an integral part of their health care plan.

The question being on the adoption of the concurrent resolution,

The concurrent resolution was adopted.

House Concurrent Resolution No. 37.

A concurrent resolution to urge the Federal Energy Regulatory Commission to reverse its recent acceptance of the Midcontinent Independent System Operator's proposed system support resource cost allocation tariff that would allocate approximately 99.5 percent of costs to utility customers in Michigan's Upper Peninsula and to divide the costs in a more equitable manner.

Whereas, Several years ago, the American Transmission Company (ATC), which owns electric transmission facilities in Michigan's Upper Peninsula as well as parts of Wisconsin, Illinois, and Minnesota, agreed on a cost allocation methodology for system support resource (SSR) payments and included this methodology in the tariff with the Midcontinent Independent System Operator (MISO), the regional operator of the transmission grid. The tariff provided that the costs associated with

running an electric generating power plant subject to an SSR agreement would be allocated to all electric utilities within the ATC's footprint on a pro-rata basis; and

Whereas, Early in 2014, partly because of burdensome Environmental Protection Agency regulations and costs, Wisconsin Electric Power Company (WEPCo) stated its renewed intention to close the Presque Isle Power Plant (PIPP), a coal-fired power plant with a capacity of over 400 megawatts located on Lake Superior in Marquette, Michigan. However, as the PIPP is the most significant source of generation left in the Upper Peninsula and critical to providing regional grid reliability, MISO has determined that WEPCo must continue to run the PIPP. Consequently, the PIPP is subject to an SSR agreement between WEPCo and MISO; and

Whereas, The Wisconsin Public Service Commission filed a complaint with the Federal Energy Regulatory Commission (FERC) claiming that the SSR cost methodology contained in the ATC tariff was unlawful. In July 2014, in response to the complaint, FERC required MISO to submit a revised SSR cost methodology that placed most of the SSR costs onto Upper Peninsula ratepayers; and

Whereas, A recent FERC order requires payments of an estimated \$100 million annually to keep the PIPP operational, a figure that both Wisconsin's and Michigan's public service commissions have said represents unreasonable recoveries for the utility; and

Whereas, While these actions were occurring, WEPCo also sought the creation of a new local balancing authority (LBA), which resulted in pushing more SSR costs onto Michigan rate payers. The creation of this new LBA would mean that approximately 99.5 percent of the costs of keeping the PIPP operational are borne by the Upper Peninsula, making electric utility customers in the Upper Peninsula alone responsible for at least \$99.5 million annually just for plant operations; and

Whereas, FERC's ruling, MISO's revised SSR cost methodology, and WEPCo's creation of a new LBA will cause an increase in electric rates that will almost certainly devastate seniors, small businesses, and families across the Upper Peninsula. MISO's proposed cost allocation tariff, coupled with the creation of a new LBA, not only ignores the historical division of these costs and has nothing to do with reliability, which heretofore served as the basis for allocating such costs, but is unreasonable, unfair, and unjust; now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That we urge the Federal Energy Regulatory Commission to reverse its recent acceptance of the Midcontinent Independent System Operator's proposed system support resource cost allocation tariff that would allocate approximately 99.5 percent of costs to utility customers in Michigan's Upper Peninsula; and be it further

Resolved, That we urge the Federal Energy Regulatory Commission to instead divide the costs in a more equitable manner and one mindful of historical context and the American Transmission Company's cost allocation agreement; and be it further

Resolved, That copies of this resolution be transmitted to the Chairman of the Federal Energy Regulatory Commission, the Governor of Michigan, the Governor of Wisconsin, the members of the Michigan congressional delegation, and the members of the Wisconsin congressional delegation.

The House of Representatives has adopted the concurrent resolution.

Pending the order that, under rule 3.204, the concurrent resolution be referred to the Committee on Government Operations, Senator Meekhof moved that the rule be suspended.

The motion prevailed, a majority of the members serving voting therefor.

The question being on the adoption of the concurrent resolution,

Senator Meekhof moved that the concurrent resolution be referred to the Committee on Energy and Technology. The motion prevailed.

Senators Booher, Hansen, Jones and Pappageorge were named co-sponsors of the concurrent resolution.

Introduction and Referral of Bills

Senator Schuitmaker introduced

Senate Bill No. 1139, entitled

A bill to amend 1988 PA 511, entitled "Community corrections act," by amending sections 2, 3, 4, 5, 7, 8, and 11 (MCL 791.402, 791.403, 791.404, 791.405, 791.407, 791.408, and 791.411).

The bill was read a first and second time by title and referred to the Committee on Judiciary.

Senator Smith introduced

Senate Bill No. 1140, entitled

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending section 3113 (MCL 500.3113), as amended by 1986 PA 93.

The bill was read a first and second time by title and referred to the Committee on Insurance.

Senator Jones introduced

Senate Bill No. 1141, entitled

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," by amending sections 1a, 1l, 34, and 35 of chapter IX (MCL 769.1a, 769.1l, 769.34, and 769.35), section 1a as amended by 2009 PA 27, section 1l as added by 2005 PA 325, section 34 as amended by 2002 PA 666, and section 35 as added by 1998 PA 317, and by adding sections 32a and 33a to chapter IX.

The bill was read a first and second time by title and referred to the Committee on Judiciary.

Senator Jansen introduced

Senate Bill No. 1142, entitled

A bill to amend 1941 PA 207, entitled "Fire prevention code," by amending section 19 (MCL 29.19), as amended by 2014 PA 12, and by adding section 19a.

The bill was read a first and second time by title and referred to the Committee on Regulatory Reform.

Senator Kowall introduced

Senate Bill No. 1143, entitled

A bill to amend 1980 PA 299, entitled "Occupational code," by amending sections 105, 2501, 2502a, 2503, 2504, 2504a, 2505, 2506, 2509, 2510, 2512, and 2512d (MCL 339.105, 339.2501, 339.2502a, 339.2503, 339.2504, 339.2504a, 339.2505, 339.2506, 339.2509, 339.2510, 339.2512, and 339.2512d), section 105 as amended by 1988 PA 463, sections 2501 and 2512 as amended and section 2512d as added by 2008 PA 90, sections 2502a and 2504 as amended and section 2504a as added by 2014 PA 106, section 2503 as amended by 1990 PA 269, section 2505 as amended by 2003 PA 196, section 2506 as amended by 2011 PA 33, and section 2509 as amended by 1988 PA 16, and by adding sections 2502b, 2512e, 2512f, 2516, and 2516a.

The bill was read a first and second time by title and referred to the Committee on Regulatory Reform.

House Bill No. 5035, entitled

A bill to amend 1966 PA 331, entitled "Community college act of 1966," (MCL 389.1 to 389.195) by adding section 123a. The House of Representatives has passed the bill and ordered that it be given immediate effect.

The bill was read a first and second time by title and referred to the Committee on Education.

House Bill No. 5036, entitled

A bill to amend 1966 PA 331, entitled "Community college act of 1966," (MCL 389.1 to 389.195) by adding section 123a. The House of Representatives has passed the bill and ordered that it be given immediate effect.

The bill was read a first and second time by title and referred to the Committee on Education.

House Bill No. 5751, entitled

A bill to amend 1965 PA 290, entitled "Boiler act of 1965," by amending sections 2 and 13d (MCL 408.752 and 408.763d), as amended by 2013 PA 167.

The House of Representatives has passed the bill and ordered that it be given immediate effect.

The bill was read a first and second time by title and referred to the Committee on Regulatory Reform.

House Bill No. 5794, entitled

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," by amending sections 3238 and 3241a (MCL 600.3238 and 600.3241a), section 3238 as added by 2014 PA 125 and section 3241a as amended by 2006 PA 579.

The House of Representatives has passed the bill and ordered that it be given immediate effect.

The bill was read a first and second time by title and referred to the Committee on Banking and Financial Institutions.

House Bill No. 5795, entitled

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," by amending section 3140 (MCL 600.3140), as amended by 2004 PA 538.

The House of Representatives has passed the bill and ordered that it be given immediate effect.

The bill was read a first and second time by title and referred to the Committee on Banking and Financial Institutions.

By unanimous consent the Senate returned to the order of

Motions and Communications

Senator Meekhof moved that the Committee on Government Operations be discharged from further consideration of the following bill:

Senate Bill No. 1073, entitled

A bill to amend 1978 PA 368, entitled "Public health code," by amending sections 22201, 22207, 22209, 22211, 22213, 22215, and 22219 (MCL 333.22201, 333.22207, 333.22209, 333.22211, 333.22213, 333.22215, and 333.22219), section 22201 as added by 1988 PA 332, sections 22207, 22209, 22213, and 22215 as amended and section 22219 as added by 2002 PA 619, and section 22211 as amended by 2014 PA 107.

The motion prevailed, a majority of the members serving voting therefor, and the bill was placed on the order of General Orders.

Senator Meekhof moved that the rules be suspended and that the following bill, now on the order of General Orders, be placed on the General Orders calendar for consideration today:

Senate Bill No. 1073

The motion prevailed, a majority of the members serving voting therefor.

Recess

Senator Meekhof moved that the Senate recess subject to the call of the Chair. The motion prevailed, the time being 11:56 a.m.

12:28 p.m.

The Senate was called to order by the President pro tempore, Senator Schuitmaker.

Committee Reports

The Committee on Natural Resources, Environment and Great Lakes reported

House Bill No. 4874, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 11708 and 11715 (MCL 324.11708 and 324.11715), section 11708 as amended by 2004 PA 381 and section 11715 as amended by 2012 PA 41.

With the recommendation that the substitute (S-1) be adopted and that the bill then pass.

The committee further recommends that the bill be given immediate effect.

Thomas A. Casperson Chairperson

To Report Out:

Yeas: Senators Casperson, Pavlov, Green and Kowall

Nays: Senators Warren and Hood

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

COMMITTEE ATTENDANCE REPORT

The Committee on Natural Resources, Environment and Great Lakes submitted the following: Meeting held on Thursday, November 6, 2014, at 9:00 a.m., Room 210, Farnum Building

Present: Senators Casperson (C), Pavlov, Green, Kowall, Warren and Hood

Excused: Senator Meekhof

COMMITTEE ATTENDANCE REPORT

The Subcommittee on Department of Human Services submitted the following: Meeting held on Thursday, November 6, 2014, at 2:00 p.m., Room 405, Capitol Building

Present: Senators Caswell (C) and Jansen Excused: Senators Proos and Gregory

Scheduled Meetings

Appropriations -

Subcommittees -

General Government - Thursday, November 13, 12:00 noon, Senate Appropriations Room, 3rd Floor, Capitol Building (373-2768)

Human Services Department - Thursday, November 13, and Tuesday, December 2, 2:00 p.m., Room 405, Capitol Building (373-2768)

State Police and Military Affairs - Tuesday, December 2, and Thursday, December 4 (CANCELED), 3:00 p.m., Rooms 402 and 403, Capitol Building (373-2768)

Banking and Financial Institutions - Thursday, November 13, 1:30 p.m., Room 100, Farnum Building (373-5314)

Health Policy - Thursday, November 13, 9:00 a.m., Senate Hearing Room, Ground Floor, Boji Tower (373-5312)

Natural Resources, Environment and Great Lakes - Thursday, November 13, 9:00 a.m., Room 210, Farnum Building (373-5312)

Regulatory Reform - Thursday, November 13, 1:00 p.m., Room 210, Farnum Building (373-5307)

State Drug Treatment Court Advisory Committee - Tuesday, November 18, 10:00 a.m., Legislative Council Conference Room, 3rd Floor, Boji Tower (373-0212)

Senator Meekhof moved that the Senate adjourn. The motion prevailed, the time being 12:29 p.m.

The President pro tempore, Senator Schuitmaker, declared the Senate adjourned until Thursday, November 13, 2014, at 10:00 a.m.

CAROL MOREY VIVENTI Secretary of the Senate